

REMARKS

Claims 22-30, 32-37 and 39-40 and 42 remain in the present application. Claim 37 has been amended in this response. Claim 41 has been canceled, without prejudice. Favorable reconsideration is respectfully requested.

Claims 22-30, 32-37, 39-40 and 42 were rejected under 35 U.S.C. §103(a) as being unpatentable over *Kawan* (U.S. Patent No. 6,442,532) in view of *Terranova* (U.S. Patent No. 6,098,879) and further in view of *Rosen* (U.S. Patent No. 5,953,423) and further in view of *Albert et al.* (US Patent No. 5,991,410). Claim 41 was objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all the limitations of the base claim and any intervening claims. For the following reasons, Applicants respectfully traverse the Examiner's rejection and respectfully request the withdrawal thereof.

Regarding *Kawan*, the Office Action concedes that the reference fails to teach the features of (1) initiating a payment operation, via the mobile radio device, by transmitting payment instruction data upon the confirmation for the payment, (2) transmitting acknowledgement data for the payment operation to the base telecommunication station via at least one of the mobile radio device and a telecommunication device of one of a financial institution and a bill issuer, (3) transmitting payment instruction data upon the confirmation for the payment to a telecommunication device of one of a financial institution and a bill issuer, and (4) writing at least some of the data required for payment to a short message memory of the mobile radio device as a readable short message, a sender telephone number entered being the telephone number of a telecommunication device of one of a financial institution and a bill issuer.

Regarding features (1) and (2), the Office Action relied on *Terranova* for solving the deficiencies of *Kawan*. Applicants submit that there is no teaching, suggestion or motivation for one of ordinary skill in the art to combine the *Kawan* and *Terranova* references in the manner suggested in the Office Action. In making a determination that an invention is obvious, the Patent Office has the initial burden of establishing a *prima facie* case of obviousness. *In re Rijckaert*, 9 F.3d 1531, 1532, 28 U.S. P.Q.2d 1955, 1956 (Fed. Cir. 1993). "If the examination at the initial stage does not produce a *prima facie* case of unpatentability, then without more the

applicant is entitled to grant of the patent.” *In re Oetiker*, 24 U.S.P.Q.2d 1443, 1444 (Fed. Cir. 1992).

The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant’s disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). The initial burden is on the examiner to provide some suggestion of the desirability of doing what the inventor has done. “To support the conclusion that the claimed invention is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed invention or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references.” *Ex parte Clapp*, 227 USPQ 972, 973 (Bd. Pat. App. & Inter. 1985). When the motivation to combine the teachings of the references is not immediately apparent, it is the duty of the examiner to explain why the combination of the teachings is proper. *Ex parte Skinner*, 2 USPQ2d 1788 (Bd. Pat. App. & Inter. 1986). (see MPEP 2142).

Further, the Federal Circuit has held that it is “impermissible to use the claimed invention as an instruction manual or ‘template’ to piece together the teachings of the prior art so that the claimed invention is rendered obvious.” *In re Fritch*, 23 U.S.P.Q.2d 1780, 1784 (Fed. Cir. 1992). “One cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention” *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988).

Moreover, the Federal Circuit has held that “obvious to try” is not the proper standard under 35 U.S.C. §103. *Ex parte Goldgaber*, 41 U.S.P.Q.2d 1172, 1177 (Fed. Cir. 1996). “An-obvious-to-try situation exists when a general disclosure may pique the scientist curiosity, such that further investigation might be done as a result of the disclosure, but the disclosure itself does not contain a sufficient teaching of how to obtain the desired result, or that the claim result would be obtained if certain directions were pursued.” *In re Eli Lilly and Co.*, 14 U.S.P.Q.2d 1741, 1743 (Fed. Cir. 1990).

Kawan teaches the insertion of a smart card into a smart card reader (108), where the card first encrypts, then transmits to a terminal (100) information stored on a smart card. This information identifies the financial institution which maintains the user's account as well as the user's account number (col. 5, lines 5-10). Once authorization has been obtained, the user may determine the user's current account balance and/or request that value be added to the card. In

executing these requests, the terminal exchanges encoded information by wireless transmission with a financial network, such as one described in FIG. 1 (col. 5, lines 13-18). Thus, the terminal may be used to directly add value to the user's card, and then request by wireless transmission that the customer's account be debited a corresponding amount. The requests comprise encoded data which is decoded by the host computer associated with financial institution. When the funds are transferred to and from the smart card, an encrypted bank signature appended to the funds certifies that the funds are "real" to ensure that when the transaction enters the settlement system, the funds are validated and/or authenticated (col. 5, lines 24-33; *see also* col. 6, lines 39-57; col. 8, lines 22-44; col. 8, line 61 - col. 9, line 6).

Since *Kawan* already pre-validates the amounts contained on the smart card, there is no teaching, suggestion or motivation for one having ordinary skill in the art to turn to *Terranova* to additionally transmit acknowledgement/confirmation data with respect to a particular transaction. Since the smart card amount of *Kawan* is already encrypted with a bank signature prior to the occurrence of any transaction, a subsequent acknowledgement/confirmation would teach away from a terminal being utilized as a source of credit authorization (see *Kawan*, col. 4, lines 26-35, line 64 - col. 5, line 4).

Regarding feature (3) above, *Rosen* teaches a conventional electronic-monetary system that communicates over a conventional computer land-line network (col. 7, lines 20-45) - *Rosen* is silent regarding the use of wireless communication (*cf.* preamble of claim 1 of present application reciting communication "via electromagnetic waves"). Also, for the same reasons recited above regarding *Terranova*, there is no teaching, suggestion or motivation to combine the references as suggested in the Office Action.

Regarding feature (4) above, *Albert* does not teach or suggest SMS messaging between the credit card terminal (100) and host computer (500), but merely discloses the capability of transmitting *plaintext* data, which is known in the art as being data used as input to an encryption algorithm (the output being "ciphertext") (col. 17, lines 1-11, 31-54). Also, for the same reasons recited above regarding *Terranova* and *Rosen*, there is no teaching, suggestion or motivation to combine the references as suggested in the Office Action.


Claim 37 was amended to incorporated the allowable matter of claim 41. in light of the amendment and the arguments presented above, Applicant respectfully submits that independent claims 22 and 37 of the present application, as well as claims 23-30, 32-36 and 39-40 and 42 which respectfully depend therefrom, are both novel and non-obvious over the art of record. Accordingly, Applicants respectfully request that a timely Notice of Allowance be issued in this case.

If any additional fees are due in connection with this Application as a whole, the office is hereby authorized to deduct said fees from deposit account number 02-1818. If such a deduction is made, please indicate the Attorney Docket No. (0112740-194) on the account statement.

Respectfully submitted,

BELL, BOYD & LLOYD LLC

BY



Peter Zura
Reg. No. 48,196
Customer No. 29177
Phone: (312) 807-4208

Dated: June 5, 2006